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THE INFLUENCE OF FINANCIAL RATIOS, COMPANY SIZE AND INFLATION ON FIRM VALUE IN INFRASTRUCTURE COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE IN 2019-2023

PENGARUH RASIO KEUANGAN, UKURAN PERUSAHAAN DAN INFLASI TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN INFRASTRUKTUR YANG TERDAFTAR DI BURSA EFEK INDONESIA TAHUN 2019-2023

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ABSTRACT

This study aims to examine whether financial ratios, company size, and inflation affect the value of a company. The financial ratios used in this study include liquidity, profitability, and solvency ratios. The approach used in this study is a quantitative approach. The population used in this study consists of infrastructure sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. The sample determination in the study uses a purposive sampling method, resulting in 57 companies with a total of 5 years of observations, so the total sample in this study is 285 companies. The data analysis method in this study uses multiple linear regression with SPSS (Statistical Package for Social Science) software version 29. The results of this study indicate that liquidity, profitability, solvency, inflation, and company size ratios simultaneously affect the value of a company. Partially, profitability, solvency, and company size affect the value of a company, while liquidity and inflation do not affect the value of a company.

Keyword: *firm Value, Liquidity, Solvency, Profitability, inflation, firm size*

ABSTRACT

Penelitian ini bertujuan untuk menguji apakah rasio keuangan, Ukuran perusahaan dan inflasi berpengaruh terhadap nilai perusahaan. Pada penelitian ini rasio keuangan yang digunakan meliputi rasio likuiditas, profitabilitas, dan solvabilitas. Pendekatan yang digunakan dalam penelitian ini adalah pendekatan kuantitatif. Adapun populasi yang digunakan dalam penelitian ini yaitu perusahaan sektor infrastruktur yang listing di Bursa Efek Indonesia tahun 2019-2023. Penentuan sampel pada penelitian menggunakan metode *purpose sampling* yang menghasilkan 57 perusahaan dengan total pengamatan selama 5 tahun, sehingga jumlah sampel dalam penelitian ini yaitu 285 perusahaan. Metode analisis data pada penelitian ini menggunakan regresi linear berganda dengan menggunakan *software* SPSS (*Statistical Package for Social Science*) versi 29. Hasil penelitian ini menunjukkan bahwa rasio likuiditas, profitabilitas, solvabilitas, inflasi dan ukuran perusahaan secara *simultan* berpengaruh terhadap nilai perusahaan. Secara *parsial* profitabilitas, solvabilitas dan ukuran perusahaan berpengaruh terhadap nilai perusahaan, sementara likuiditas dan inflasi tidak berpengaruh terhadap nilai perusahaan.

Kata Kunci: Nilai Perusahaan, Likuiditas, Solvabilitas, Profitabilitas, Inflasi, Ukuran perusahaan.

INTRODUCTION

At the end of 2019, Indonesia and even the whole world faced a pandemic phenomenon of corona virus disease 2019 (COVID-19), based on an article from Christian & Hidayat (2020), this phenomenon resulted in an economic crisis throughout the world because the wheels of the economy in all sectors experienced a slowdown. Stock markets throughout the world have also been affected by the pandemic phenomenon, based on investing.com, all stock indexes on exchanges throughout the world, including in Indonesia, have experienced a decline.

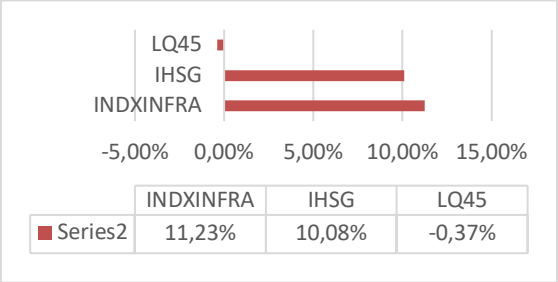


Figure 1
Performance LQ45, IHSG, and IDXINFRA, 2021

In 2021, judging from the performance of the infrastructure sector index, performance tends to be satisfactory for the two indices, which are often used as benchmarks for assessing the performance of an index. If this is related to company value, it can be said that in the infrastructure sector, company value tends to be better than LQ45 & IHSG.

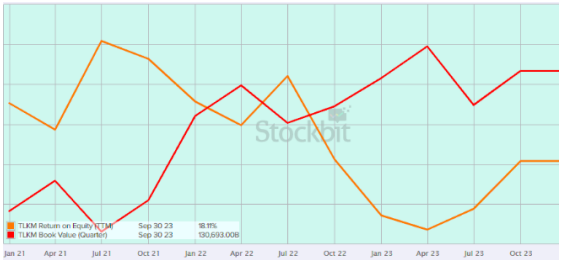


Figure 1

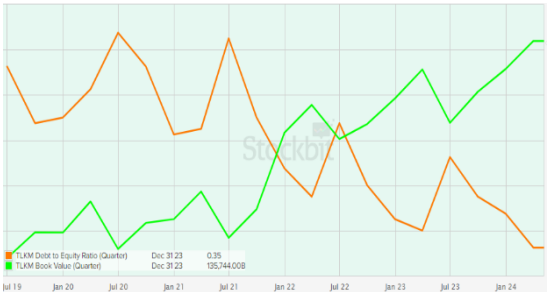
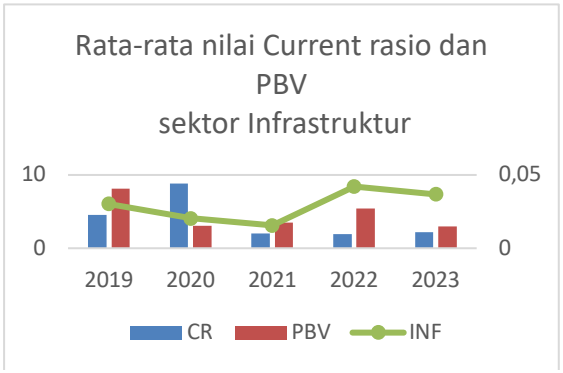


Figure 2

Based on Figure 2, there is an interesting phenomenon to discuss because the movement of the return on equity value, which is one of the ratios in measuring the profitability of a company, moves inversely to the value of the company. This phenomenon is different from the results of several previous studies conducted by Natalie & Lisiantara (2022) and Mahanani & Kartika (2022) explaining that profitability has no effect on firm value, then based on Figure 3, the movement of book value is inversely proportional to the value of the debt to equity ratio. This is different from the results of research conducted by Sulaksono & Sandra (2022) and Mahanani & Kartika (2022), which show that debt to equity has no effect on firm value.



Based on Figure 4, in 2020 there was a very drastic increase in the company's liquidity value, this increase increased by around 63% compared to the liquidity value in 2019 but in the same year there was a very drastic decrease of around 91% in the PBV value, and for the following years the value of the current ratio decreased by around -7% and increased again by around 13% compared to 2022, while the PBV value increased by 44% and then decreased in 2023 by around 60% compared to 2022 so that it can be said that the movement of the average PBV value moves contrary to the current ratio value. While inflation tends to move along with the ups and downs of the company's value, such as in 2019-2021 where the company's value tends to decrease the inflation rate also decreases so that in Figure 4 it can be said that the company's value will move in accordance with the inflation that occurs.

Referring to research conducted by (Sinta Dewi, 2020 ; Hendayana & Riyan, 2020) on the Effect of Profitability, Liquidity, and Company Size on Firm Value in Manufacturing Companies, as well as the existence of non-uniformity in research results related to the effect of financial ratios as well as company size on firm value, researchers are interested in re-examining by adding several research variables. The difference with the referenced research, the authors use the Return on Equity ratio in projecting profitability, conducting studies on infrastructure companies, and adding Solvency and inflation ratios such as research conducted by Hendayana & Riyanti (2020), on the Effect of Inflation, Interest Rates, Liquidity, and Leverage on Company Value. Based on the description above, the researcher raised the research title "The Effect of Financial Ratios, Company Size and Inflation on Company Value (Study on

Infrastructure Companies Listing on the Indonesia Stock Exchange 2018-2022)".

RESEARCH METHODS

This research uses quantitative descriptive method. The purpose of this study is to explain the independent variables consisting of, financial ratio mechanisms, company size and inflation to analyze their influence on the dependent variable, namely company value.

The objects in this study are financial ratios which include liquidity, profitability and solvency ratios, and company size as independent variables and company value as the dependent variable. The data in the study is using secondary data. This data is taken from the company's audited financial statements and meets the sampling criteria for Infrastructure companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

In this study, the data source comes from financial statement data and inflation data, for financial statement data obtained through the official website of the Indonesia Stock Exchange, namely www.idx.co.id and on the official website owned by the company. Inflation data is obtained from the official website of Bank Indonesia, namely (BI.go.id). The data source in this study is the annual financial statements of Infrastructure companies listed on the Indonesia Stock Exchange for the period 2019-2023 and can be downloaded through the website owned by the Indonesia Stock Exchange or the company.

The population in this study were all Infrastructure companies listed on the Indonesia Stock Exchange for the 2019-2023 period, totaling 67 companies. Samples that meet criteria such as, companies that publish their financial reports during the observation period and the availability and completeness of data during the study if in the research process there are companies that cannot calculate the ratio, they will be excluded. So that the number of samples is 57 companies with a total of 5 years of observation so that the total is 285.

The data analysis method used is multiple linear regression analysis. The multiple linear regression analysis model is used to see the effect of the independent variable on the dependent variable. Multiple linear regression analysis in this study was used to determine the effect of liquidity ratio, profitability ratio, solvency ratio, company size and Inflation on the value of infrastructure companies listed on the Indonesia Stock Exchange for the period 2019-2023. To make it easier to analyze the data, SPSS (Statistical Package for Social Science) version 29 was used. The test uses several tests including descriptive statistical analysis test, classical assumption test, and multiple regression test.

Descriptive statistical tests of all variables in this study include "minimum, maximum, mean (average), and standard deviation values". The minimum value reflects the lowest value found from analyzing data on sample companies. Conversely, the maximum value reflects the highest value found from the data analysis conducted. Mean (average) indicates the middle value of each variable.

The classic assumption test which includes, normality test which aims to test whether in the regression model, the dependent and independent variables are both normally distributed or not (Ghozali, 2018), Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another (Ghozali, 2018), The autocorrelation test aims to test whether in the linear regression model there is a correlation between errors in period t and period t-1 (previous) confounders in period t with confounding errors in period t-1 (previous), and the Multicollinearity Test aims to test whether in the regression model there is a correlation between independent variables (Ghozali, 2018).

The regression model is a mathematical model that can be used to determine the relationship pattern between two or more variables. The multiple linear regression equation can be expressed as follows:

$$Y = \alpha + (\beta.CR) + (\beta.ROA) + (\beta.DER) + (\beta.size) + (\beta.Inf) + e$$

RESULTS AND DISCUSSIONS

The discussion of the results is argumentative regarding the relevance of the results, theory, previous research and empirical facts found, and shows the novelty of the findings.

Descriptive statistical analysis aims to provide a picture of the variables in the study. The following are the results of descriptive analysis using SPSS 29 software.

Table 1
Descriptive statistical test
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR (X1)	285	.0024	410.24	3.9055	26.04735
ROA (X2)	285	-139115.10	361244.26	779.0699	22957.22885
DER (X3)	285	-34.93	149.87	1.8332	9.49885
INF (X5)	285	.0156	.0421	.029060	.0099089
SIZE (X4)	285	17.98	33.29	28.6185	2.53416
PBV (Y)	285	-12.86	329.26	4.6018	22.88850
Valid N (listwise)	285				

Source: Data Analyzed, 2024

Table 1 above shows that the amount of data used in this study amounted to 285 data, the PBV (Y) variable has a minimum value of -12.86 from the company Leyand International Tbk. (LAPD) in 2022. The minus (-) value on the company's value is because the calculation of the book value of the company's capital is negative so that it has an impact on the company's value. Meanwhile, the maximum value reaches 329.26

from the Lancartama Sejati Tbk. (TAMA) company in 2019, the average company value is 4.6018 and the standard deviation of the company value is 22.88850.

The CR (X1) variable has an average value (mean) of 3.9055 The maximum value is 410.24 from the Maharaksa Biru Energi Tbk. (OASA) company in 2020, while the minimum value is 0.0024 from the Leyand International Tbk. (LAPD) company in 2022, while the standard deviation value is 26.04735.

The ROA (X2) variable has an average value (mean) of 779.0699 this result indicates that the average company has a high level of profitability. The maximum value is 361244.26 from the company Leyand International Tbk. (LAPD) in 2022 and the minimum value is 22957.22885 from the company Leyand International Tbk. (LAPD) in 2021. With a standard deviation of 22957.22885.

The DER variable (X3) has an average value (mean) of 1.8332 The maximum value is 149.87 from the First Media Tbk. (KBLV) company in 2021 and the minimum value is -34.93 from the Centratama Telekomunikasi Indonesia Tbk. (CENT) company in 2022, while the standard deviation is 9.49885.

The SIZE variable (X4) has an average (mean) value of 28.6185, the maximum value is 33.29 from the Telkom Indonesia Tbk. (TLKM) company in 2023 and the minimum value is 17.98 from the Leyand International Tbk. (LAPD) company in 2022. With a standard deviation of 2.53416.

Variable INF (X5) has an average value (mean) of 0.029060 The maximum value is 0.0421 from the average Indonesian inflation in 2022 and the minimum value is 0.0156 from the average Indonesian inflation in 2021. With a standard deviation of 0.0099089.

Normality testing is carried out to evaluate whether the disturbance or residual variables have a normal or abnormal distribution in the regression model, the normality test is applied.

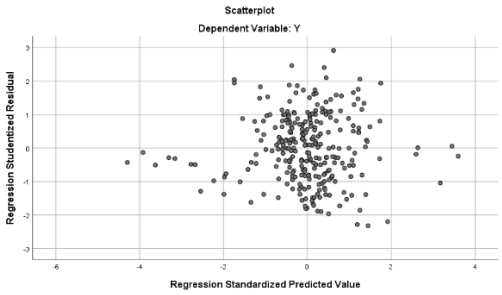
Table *2*
Normality test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		280
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	19.11320454
Most Extreme Differences	Absolute	.038
	Positive	.038
	Negative	-.031
Test Statistic		.038
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Data Analyzed, 2024

Table 2 shows the results of testing using the One-Sample Kolmogorov-Smirnov Test with a significance value of 0.200, which exceeds the significance level of $\alpha = 0.05$. This indicates that this study has normally distributed data. In testing normality, researchers used Box & Cox transformation so that the data used was reduced from 285 to 280 because the probability value of the data was 1 when transformed.



Source: Data Analyzed, 2024

Figure 6 shows a scatterplot graph with points spreading randomly and not forming a certain pattern and scattered above and below the number 0 on the Y axis. These results indicate that in the two regression models to be used there are no symptoms of heteroscedasticity.

Table 3
Autocorrelation test
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.693	42.762		.040	.968
	CR (X1)	-.008	.050	-.011	-.165	.869
	ROA (X2)	1.261E-5	.000	.015	.227	.821
	DER (X3)	.045	.155	.022	.293	.770
	SIZE (X4)	-.084	.591	-.011	-.143	.887
	INF (X5)	2.555	135.823	.001	.019	.985
	lag	-.031	.062	-.030	-.496	.620

a. Dependent Variable: Unstandardized Residual

Source: Data Analyzed, 2024

In table 3, the LAG residual value is 0.620, which is greater than the significance value of 5% or 0.05. So it can be concluded that there is no autocorrelation.

Table 4
Multicollinearity test
Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	(Constant)		
	CR (X1)	.870	1.150
	ROA (X2)	.908	1.101
	DER (X3)	.703	1.422
	SIZE (X4)	.656	1.524
	INF (X5)	.996	1.004

a. Dependent Variable: PBV (Y)
Source: Data Analyzed, 2024

Based on table 4, overall it can be noted that none of the independent variables get a Tolerance lower than the tolerance value> 0.10, indicating that there is no significant correlation (more than 95%) between the independent variables. The results of evaluating the VIF value also indicate that none of the independent variables have a VIF value that exceeds 10. Thus, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Table 5
Linear regression test
Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	105.757	17.015		6.215	.000
CR (X1)	.067	.049	.077	1.371	.171
ROA (X2)	.00021	.000054	.222	4.068	.000
DER (X3)	1.299	.148	.545	8.766	.000
SIZE (X4)	-3.740	.579	-.416	-6.458	.000
INF (X5)	103.903	133.061	.041	.781	.436

a. Dependent Variable: PBV (Y)
Source: Data Analyzed, 2024

Table 5 can explain the multiple linear regression equation in this study. The regression equation formula in this study is as follows :

$$PBV\ (Y) = 78.582 + 0.067\ CR + 0.00021\ ROA + 1.299\ DER - 3.740\ size + 103.903\ Inf$$

As for the regression equation above, the multiple linear regression coefficient values can be interpreted as follows:

1. The constant value of the regression results shows 78.582, this value indicates that if the independent variable, namely liquidity, profitability, solvency, size, and inflation if it is 0 (constant) then the dependent variable, namely the company value, is 78.582.

2. The regression coefficient value of the CR variable (X1) is positive at 0.067, it means that if each increase in the CR variable (X1) increases by 1 unit with the assumption that the other variables are zero, the PBV variable (Y) will increase by 0.067 or 6.7%.

3. The regression coefficient value of the ROA (X2) variable is positive at 0.00021, it means that if the ROA (X2) variable increases by 1 unit with the assumption that the other variables are zero, the PBV (Y) variable will also increase by 0.00021.

4. The regression coefficient value of the DER (X3) variable is positive at 1.299, it means that if the DER (X3) variable increases by 1 unit assuming other variables are zero, the PBV (Y) variable will also increase by 1.299.

5. The regression coefficient value of the SIZE (X4) variable is negative by 3.740, it means that if the SIZE (X4) variable decreases by 1 unit assuming other variables are zero, the PBV (Y) variable will also decrease by 3.740.

6. The regression coefficient value of variable X5 (inflation) is positive amounting to 103.903, it means that if variable X5 (inflation) increases by 1 unit assuming other variables are zero, then variable PBV (Y) will also increase by 103.903.

The following is a presentation of the F test results which shows the effect of CR (X1), ROA (X2), DER (X3), size (X4), and INF (X5) variables on PBV (Y) in the following table:

Table 6
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35008.682	5	7001.736	18.823	<,001[b]
	Residual	101922.770	274	371.981		
	Total	136931.452	279			

a. Dependent Variable: PBV (Y)
b. Predictors: (Constant), INF (X5), SIZE (X4), ROA (X2), CR (X1), DER (X3)

In Table 6, the calculated F value is 18.823, which is more than the F table (2.25), and produces a significance test of 0.001 which is smaller than 5% (<0.05). Therefore, Liquidity, Profitability, Solvency, Size, and Inflation together have a significant influence on firm value. (H1 accepted)

The following t test results are displayed which show the effect of CR (X1), ROA (X2), DER (X3), size (X4), and INF (X5) variables on PBV (Y) partially in the following table:

Table 7
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	105.757	17.015		6.215	<,001
	CR (X1)	.067	.049	.077	1.371	.171
	ROA (X2)	.00021	.000054	.222	4.068	<,001
	DER (X3)	1.299	.148	.545	8.766	<,001
	SIZE (X4)	-3.740	.579	-.416	-6.458	<,001
	INF (X5)	103.903	133.061	.041	.781	.436

a. Dependent Variable: PBV (Y)
Source: Data Analyzed, 2024

In table 7, it can be seen that there are 3 independent variables which include X2 (profitability), X3 (solvency), and X4 (company size) which have a low sig value when compared to 5% or <0.05 with a significant level of 0.001, so that the 3 independent variables in this study partially have a significant influence on the dependent variable, namely company value.

The coefficient of determination (R^2) test is applied to evaluate how well the model is able to explain variations in the dependent variable. 0 and 1 are the range of values for the coefficient of determination. When the coefficient of

determination is close to one, it indicates that the independent variable provides most of the information needed to predict the dependent variable. Adjusted R Square, which is an adjustment of the coefficient of determination, can be found in Table 4.8 below.

Table 8
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.506[a]	.256	.242	19.28681

a. Predictors: (Constant), INF (X5), SIZE (X4), ROA (X2), CR (X1), DER (X3)

Based on the regression results in table 8, the Adjusted R Square is 0.242 or 24.2%, which indicates that significantly the independent variables, namely Liquidity, Profitability, Solvency, size, and inflation are able to explain variations in the dependent variable, namely Firm value. As much as 76.8% of the variation in PBV is explained by other elements not included in this study.

CONCLUSION AND SUGGESTION (PENUTUP)

This study aims to examine the effect of liquidity (X1), profitability (X2), solvency (X3), company size (X4), and inflation (X5) on firm value (Y) in infrastructure companies for the period 2019-2023. Based on the results of the analysis conducted, the discussion of the research results is as follows:

The effect of liquidity on firm value

Based on the hypothesis test that has been carried out, the results in table 7 show a significance value of 0.171> 0.05, indicating that liquidity has no effect on firm value, this is in line with research conducted by taniman & jonnardi, (2020), which shows that liquidity does not affect firm value, this is because one of the ratios in measuring the level of liquidity, namely the current ratio where the value of current assets (which can be immediately used as money) is compared to short-term debt, describes the company's ability in the short term and does not provide an overview of the company's performance for the long term so that it does not have an influence on the growth of the company's value. can be seen from the research sample of companies with a level of liquidity that is current,

It can be seen from the research sample that the company with the highest liquidity level is the maharaksa blue energy Tbk company (oasa) in 2020 with a liquidity value of 410.24 while the company value is only 2.84, while in 2019 in the same company the liquidity value is around 160.47 and the company value is around 3.24. So it can be concluded that there is no influence from the high and low liquidity of the company on the company's value.

The level of liquidity of the company is one part of the management strategy in running the company depending on the model and characteristics of the company itself, such as in the infrastructure sector where most companies choose to use long-term loans rather than short-term debt because the business model in this sector usually requires a very large initial investment with a long period of return.

The effect of profitability on firm value

Based on the hypothesis test that has been carried out, the results in table 7 are obtained. 7 a significance value of 0.001 <0.05 with a regression coefficient (b) of 0.00021 so that it shows that profitability has a positive effect on firm value, so the higher the company's profitability value, the company's value will increase, the results of this study are in line with research conducted by ramadhani, (2022), bino & irvine, (2022), and sri & alfiatul, (2021) which shows that profitability affects firm value, profitability itself is the company's profit from company activities (business model), with higher profitability the company can develop its business and prosper the company's shareholders by providing returns in the form of dividends, consequently the company value will be higher.

It can be seen from the research sample, the company pt himalaya energi perkasa tbk. (hade) in 2019 experienced losses, with a return on assets of -309.36 in 2020, -15.65, and in 2021 -2.022 the losses incurred by the company decreased every year so that it made the company value in 2019 6.7 increased to 7.69 in 2020 and in 2021 to 7.85. The acset indonusa tbk. (acst) company experiences profit fluctuations so that it affects the company's value, such as in 2019 the return on assets value was 10.83 with a pbv of 2.37, in the following year the return on assets increased to 43.86 and the pbv to 8.72 and in 2021 the return on assets decreased to 27.97 and the pbv value to 2.38. So it can be concluded, the rise and fall of the company's profitability will affect the company's value.

Companies that tend to generate profits are more valuable than companies that do not generate profits because the high level of profitability means that the company has good performance in running its business and is good at managing effective assets so that investors will be more interested in companies that can generate large returns, and this is supported by signaling theory which states that companies with high levels of profitability can trigger investors to participate in increasing demand for shares, so that the company's share price will increase and will cause the company's value to increase.

The effect of solvency on firm value

The results of the research in table 7 show a significance value of 0.001> 0.05 with a regression coefficient of 1.299 so that solvency affects firm value, this is in line with research conducted by azizah & widyawati, (2021), taniman & jonnardi, (2020), and dina risky at.al, (2020) which shows that solvency affects firm value so that

increasing and decreasing solvency values will affect firm value. This is also supported by signaling theory which states that a high level of debt in the company means that the company's risk is also getting bigger so that it will affect the company's value.

It can be seen from the research data in table 1 that the highest solvency value is 149.87 in the first media tbk company (kblv) in 2021, this high solvency value is followed by an increase in firm value of 32.67 from 2020 with a firm value of 0.77 and a solvency value of 6.13, and for 2022, the company's solvency value is -4.12 with a firm value of -0.42. So it can be concluded that the high and low solvency value will affect the company's value.

The effect of company size on firm value

the results of the research in table 7 show that company size has an effect on firm value, this is in line with research conducted by fitria ramadhani, (2022) and azizah & widyawati, (2021), because the size of the company will affect when carrying out company activities, and also determine the level of investor confidence. the larger the company, the more recognizable the public which means it is easier to get information that will increase company value. The bigger the company, the more recognized by the public, which means that it is easier to get information that will increase the company's value. Large company size if not managed properly will affect the value of the company itself. This is supported by signaling theory which states that the larger the size of the company, the stronger the brand value and and more credibility compared to companies that are sized so as to provide positive signals.

in table 1 the largest company size is in the telkom indonesia tbk company. (tlkm) in 2023 amounting to 33.29 or around 287 trillion rupiah with a company value of 2.49, the size of the company increased from 2022 which was only 33.24 or around 275 trillion rupiah with a company value of only 2.48 and in 2021 amounting to 33.25 or around 277 trillion rupiah the company value is in a high position compared to 2023 and 2022 with a company value of 2.75. So it can be concluded that the company telkom indonesia tbk. (tlkm) always experiences an increase in company size, but the company's value actually decreases.

The effect of inflation on firm value

the results of the research in table 7, show that inflation has no effect on firm value, this is in line with research conducted by reza adiyanto, (2023) which shows that inflation has no effect on firm value.

In table 1, the lowest inflation rate is in 2021, which is around 1.56% and the highest in 2020, which is around 4.2%, while the company value in the same year is only 3.02 and 3.49 on average, and in 2022-2023 when inflation has increased by 39%, the average company value has actually decreased by -60%. So it can be concluded that inflation that occurs in the research time frame has no effect on the value of companies in the infrastructure sector.

In this study, this can happen because the average inflation that occurred during 2019 to 2023 was in the range of 1.5% to 3%, which is normal inflation. So that the company will not experience a major influence due to inflation, so investors do not need to take inflation into account when making decisions because it will not have a significant impact on company value. And also the time frame carried out is only 5 years which tends to be short so that it cannot provide a broader picture of the effect of inflation on firm value.

CONCLUSIONS AND SUGGESTIONS

Based on the test results conducted, the following conclusions are obtained; 1) Financial ratios projected by Liquidity, Profitability, Solvency, and Company size and Inflation simultaneously affect the Company's Value in infrastructure sector companies in 2019-2023, 2) Liquidity projected by CR (Current Ratio) has no effect on firm value in infrastructure sector companies in 2019-2023, 3) Profitability projected by ROE (Return on Equity) affects the value of the company, in infrastructure sector companies in 2019-2023, 4) Solvency projected by DER (Debt to Equity) affects the value of the company in infrastructure sector companies in 2019-2023, 5) Company size affects the value of the company in infrastructure sector companies in 2019-2023, 6) Inflation has no effect on the value of the company in infrastructure sector companies in 2019-2023.

limitations of researchers in conducting research. Some of these limitations are as follows; 1) The data used in this study is secondary data obtained from the company's financial statements, and the data used is only one sector so that it only gives an overview of the influence on the sector under study, 2) In this study, researchers only observed infrastructure sector companies listed on the Indonesia Stock Exchange, so the results of the study may not be applicable to other sectors and can potentially lead to differences in results, 3) This study only uses variables of liquidity, profitability, solvency, company size and inflation while there are many other variables that have the potential to affect the company's value, such as profit margin, asset turnover.

Based on the conclusions and limitations described above, the researchers provide the following suggestions; 1) Further research should be able to explore more deeply other variables such as profit margin, asset turnover and other factors that are still many in influencing company value, 2) In general, almost all investments contain an element of uncertainty. Investors do not know with certainty the results they will get from the investment made

because of the risk, therefore in making investments, especially stock investments, they must really choose companies that have value so as to minimize the risk in investment, 3) The research results can be used as additional information and consideration for companies in running their companies to increase company value so that it will increase demand for shares from investors.

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